



## Taobao Live Accelerating Digitization of China's Retail Sector

*First-time livestreaming merchants surged 719% in February*

**Hangzhou, China, March 30, 2020** – Taobao Live, a marketing channel launched by China's largest mobile commerce platform in 2016, is fueling the digitization of China's retail sector.

At its annual Ecosystem Summit in Hangzhou today, Taobao announced plans to host livestreaming sessions from 300,000 merchants per day in 2020. Wholesalers and manufacturers in factory cluster areas, such as Yiwu in Zhejiang Province, will form the target audience. Because of the popularity of livestream, Taobao Live expects it will help incubate 200,000 offline retail stores.

Taobao Live also aims to train more than 10,000 retail sales people across China to become livestreamers who can each reach audiences of 10,000 or more, and incubate over 100,000 hosts with monthly income over RMB10,000. Taobao Live and merchants are providing the new and existing livestreamers with services and resources that would otherwise be valued at billions of yuan to bring in new traffic, recruit new followers and audience and facilitate transactions.

Taobao will leverage emerging technologies, including 5G, artificial intelligence and augmented reality to enhance the viewer experience.

"Taobao Live is driving the digitization of China's retail sector, offering brands and merchants a shortcut to hasten their business transformation and boost revenue using new marketing avenues," said Feng Yu, senior director of e-commerce content at Taobao. "The current healthcare crisis is a wakeup call for retailers. It has prompted many to accelerate their digital makeovers, so that their businesses become more dynamic and resilient. With a vast audience and the technology to integrate online and offline retail, Taobao Live is quickly becoming the model of future retail. Livestreaming is now the primary infrastructure for e-commerce moving forward."

Taobao Live provided a lifeline to many brands during the height of the Covid-19 pandemic in China. It helped to generate and maintain sales, and encouraged creativity in marketing and engagement with consumers. Sharp increases in new merchant livestreams as a result of temporary closure of brick-and-mortar shops contributed to a surge in viewing activity and livestream sales. Livestream numbers has remained high even as business has gradually returned to normal in China, implying a fundamental and possibly long-term change in merchant and consumer behavior.

In early February, Taobao Live removed barriers for new merchants to join the service that included waiving all service fees. It allowed merchants to use Taobao Live's tools and technologies to start livestreaming and launch new products instantly. As a result, the number of merchants utilizing Taobao Live for the first time surged 719% in February, compared to January.

Lin Qingxuan (Forest Cabin), a cosmetics company based in Shanghai, is a case in point. Its total sales fell 90% during the 2020 Chinese New Year shopping season due to a forced closure of half of its physical stores. However, once the retailer began hosting livestreaming sessions, sales increased 120% year-on-year in February. Lin Qingxuan's livestreams on Valentine's Day alone attracted more than 60,000 viewers. More than 400,000 bottles of camellia oil, the brand's flagship product, was sold.

### **Taobao Live's Stunning Growth**

Overall, gross merchandise volume generated by Taobao Live has grown by around 150% a year for three straight years and so far this year looks set for continued strong growth.

Figures from Taobao show a growing number of merchants from diversified industries have adopted or expanded their livestreaming services to engage with consumers in the past year. From more-basic streams offered in years past, Taobao Live users can now see chefs broadcasting cooking tutorials in restaurant kitchens, real-estate agents giving tours of apartments, celebrities and singers performing online concerts from their homes, rural farmers promoting their fruits and vegetables and even auto dealers showcasing the interior of luxury cars.

Chinese consumers spent an aggregate of 350,000 hours each day viewing Taobao Live programs as of the end of last year. In 2019, new livestreaming accounts nearly doubled, compared to 2018. Livestreaming hosts are coming from all walks of life, the oldest being a 109-year-old wolfberry seller. Taobao Live estimates it has already helped create jobs around the country in new categories such as managers, makeup artists, and technicians to run studios for Taobao Live-specific content and online-to-offline shop assistants who can explain livestream content to customers. And numbers continue to be strong so far in 2020.

### **Farmers' Success with Taobao Live**

Taobao Live is also proving to be an effective channel for boosting the livelihood of Chinese farmers in remote areas, where online selling is helping them reach more customers. In 2019, Taobao Live hosted 1.6 million sessions featuring agricultural products.

Since launching its Rural Support Program in response to the pandemic in February this year, Taobao Live has opened up its platform at no cost to Chinese farmers. Taobao's Foodie Livestream channel has connected farmers across China. Some 15 million kilograms of product were sold during the first three days of livestreaming, starting from February 6. Taobao has been working closely with county-level governments to identify selling points and increase the visibility and recognition of various villages participating in the livestreaming.

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### **About Taobao Marketplace**

Launched in 2003, Taobao Marketplace ([www.taobao.com](http://www.taobao.com)) provides consumers with an engaging, personalized shopping experience, optimized by big-data analytics. Through highly relevant and engaging content and real-time updates from merchants, consumers can learn about products and new trends. They can also interact with each other and their favorite merchants and

key opinion leaders. Merchants on Taobao Marketplace are primarily individuals and small businesses. According to Analysys, Taobao Marketplace was China's largest mobile commerce destination, with a large and growing social community, in terms of GMV for the 12 months ended March 31, 2019. Taobao Marketplace is a business of Alibaba Group.

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